

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING THE FEE APPLICATION OF
OGILVY RENAULT LLP FOR THE TWENTY-NINTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Interim Fee Application of Ogilvy Renault LLP for the Twenty-Ninth Interim Period (the "Application").

BACKGROUND

1. Ogilvy Renault LLP ("Ogilvy Renault") was retained as special counsel to the Debtors and Debtors-in-Possession in Canada. In the Application, Ogilvy Renault seeks approval of fees totaling CDN \$202,910.50¹ and expenses totaling CDN \$5,040.37 for its services from April 1, 2008 through June 30, 2008 (the "Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2008, and the United States Trustee Guidelines for Reviewing

¹Consistent with Ogilvy Renault's Application, all dollar amounts in this report are in CDN.

Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the "U.S. Trustee Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served an initial report on Ogilvy Renault, and received a response from Ogilvy Renault, portions of which response are quoted herein.

DISCUSSION

3. In our initial report, we noted the following two time entries which appeared to include non-working travel:

21/4/08	Orestes Pasparakis	Addressing issues regarding hearing (1.0); travel to Delaware (5.0).	6.00	\$3,540.00
22/4/08	Orestes Pasparakis	Preparing for and attending at Court in Delaware (3.0); return travel (5.0); considering settlement issues (1.3).	9.30	\$5,487.00

Pursuant to Local Rule 2016-2(d)(viii): "Travel time during which no work is performed shall be separately described and may be billed at no more than 50% of regular hourly rates." Thus, we asked Ogilvy Renault whether the required 50% discount had been applied to this time. Ogilvy Renault initially responded as follows: "The 50% discount was not applied to the ... time entries because Local Rule 2016-2(d)(viii) does not apply to this time. Mr. Pasparakis has advised that he was working on this matter during the travel time indicated (above)." In response to our follow-up inquiry on this issue, Ogilvy Renault modified its response as follows:

Mr. Pasparakis has advised that, to the best of his recollection, while traveling to Delaware he was preparing for a Court attendance, including reviewing materials filed for such attendance. However, it is reasonable to assume that Mr. Pasparakis was not working on or considering this matter for the entire five (5) hours in transit

to Delaware. On this basis, OR does not object to a reduction in fees billed on April 21, 2008 relating to Mr. Pasparakis' travel to Delaware from 5.0 hours (\$2,950.00) to 3.50 hours (\$2,065.00).

In addition, OR does not object to a reduction in fees billed for Mr. Pasparakis on April 22, 2008 from 5.0 hours (\$2,950.00) to 2.50 hours (\$1,475.00) in compliance with Local Rule 2016-2(d)(viii).

The professionals at OR are aware of Local Rule 2016-2(d)(viii) but will be reminded of the 50% discount to be applied during time spent in transit, once again to ensure that such activities are properly docketed and billed.


We appreciate Ogilvy Renault's response and recommend a reduction of \$2,360.00 in fees.

CONCLUSION

4. Thus, we recommend approval of \$200,550.50 in fees (\$202,910.50 minus \$2,360.00) and \$5,040.37 in expenses for Ogilvy Renault's services for the Application Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 19th day of November, 2008.



Warren H. Smith

SERVICE LIST

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